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**COUNCIL PRESIDENT
SCOTT H. PETERS**

CITY OF SAN DIEGO

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SAN DIEGO

COUNTY GRAND JURY

Honorable Janis Sammartino
Presiding Judge
San Diego County Superior Court
Main Courthouse, Third Floor
220 West Broadway
San Diego, CA 92101

Re: 2006-2007 Grand Jury Report entitled "San Diego City Streets"

Dear Judge Sammartino:

Pursuant to the California Penal Code Section 933.05 (a), (b) and (c), the San Diego City Council has provided the attached responses to the Grand Jury's report dated May 15, 2007.

In summary, on July 24, 2007, the City Council voted to approve the Independent Budget Analyst's recommendation to join and affirm the Mayor's response on the facts, findings and recommendations 07-56 through 07-59 outlined in the Grand Jury Report.

Sincerely,

Scott H. Peters

SHP/ms
Attachment

cc: Honorable Mayor & City Council
Independent Budget Analyst Andrea Tevlin
City Clerk Elizabeth Maland



SAN DIEGO CITY COUNCIL RESPONSE TO GRAND JURY REPORT “SAN DIEGO CITY STREETS”

The San Diego City Council considered and approved its response to this Grand Jury Report on July 24, 2007. The City Council voted to join in with the Mayor’s response to all Findings and Recommendations.

Finding 1: The City did not provide adequate funding to maintain and repair the streets between 2001 and 2007. The City Street Department was budgeted to fix potholes while the streets “went to pot.” Street condition assessment surveys in 2001 and 2003 indicated continuous deterioration of the streets. The City could not find the money to authorize an assessment in 2005. The results of the 2007 assessment have been released and as expected the assessment shows continued deterioration of the streets. The street condition assessments in 2001 and 2003 indicated the conditions of the streets were deteriorating, but the City chose to take no action regarding funding. As a matter of fact, it decided not to fund a street assessment in 2005. After all, why fund an assessment that will indicate that the streets are continuing to deteriorate when you don’t intend to provide funding to correct the situation? In 2007, the City allocated \$13 million to repair and/or resurface about 100 miles of city streets. Although this is a step in the right direction, it is too little too late. The Mayor’s proposed 2008 budget calls for resurfacing and/or resealing 135 miles of city streets with an expenditure of nearly double the \$13 million in the 2007 budget. The Mayor should be commended for his efforts to attack the street problem, but there is a lot of remediation to do.

Partially Disagree. The City provided funding to maintain and repair streets between 2001 and 2007 as follows:

Table 1. City of San Diego Asphalt Street Repair Budget Summary
Fiscal Year 2001 to 2008

Fiscal Year	Contracted Work			In-house Work		Total
	Slurry Seal	Overlay	Crack Seal	Major Repairs	Pothole Repairs	
2001	\$4,703,532	\$11,737,274	\$0	\$4,415,916	\$494,511	\$21,351,233
2002	\$2,758,509	\$4,944,349	\$499,997	\$4,058,112	\$765,120	\$13,026,087
2003	\$1,700,647	\$4,676,334	\$789,314	\$5,123,883	\$771,676	\$13,061,854
2004	\$710,081	\$0	\$495,733	\$5,080,626	\$807,885	\$7,094,325
2005	\$770,300	\$1,399,327	\$457,950	\$5,138,034	\$799,403	\$8,565,014
2006	\$770,000	\$1,826,006	\$480,669	\$5,356,964	\$857,125	\$9,290,764
2007	\$8,091,358	\$12,321,238	\$405,193	\$5,313,790	\$871,915	\$27,003,494
2008 *	\$6,625,073	\$18,867,426	\$500,000	\$5,091,174	\$909,415	\$31,993,088

* Mayor’s approved budget

As shown in Table 1, the annual funding to maintain and repair the streets from 2001 to 2006, although insufficient to avoid continued deterioration of the street system, was greater than simply fixing potholes. Street condition assessments in 2003 and 2007 did indicate deterioration of the street system.

The 2007 street condition assessment report, completed by a nationally recognized consulting firm, has been released. The majority of the street system has been assessed to be in “Fair” or “Acceptable” condition (82%), and the portion of the system to poor condition has remained constant at 18%.

In 2007 the City allocated \$20.8 million to repair and resurface approximately 125 miles of city streets. In addition, the City’s road crews performed pothole repairs (over 36,000), skin patching, crack sealing, mill and paves, and dig out replacement.

The phrase “too little too late” seems to imply a system in complete failure or pending failure. However, a system with 82% of its roadways in “Fair” or “Acceptable” condition by industry standards is not a failed system, nor does it predict imminent failure. The 2003 assessment indicated that 18% of the system had deteriorated to “Poor” condition; the 2007 assessment indicates that percentage of the system in “Poor” condition has remained constant at the 2003 level of 18%. The 2007 assessment was completed prior to the start of the FY2007 program’s 125 miles of repairs and resurfacing. It is anticipated that the percent of the street system with a “Fair” or “Acceptable” Overall Condition Index (OCI) will increase after completion of the FY2007 pavement repair program.

Finding 2: **The Street Department has been appeasing the City Council’s desires to fund all districts for street repair rather than allocate monies to the streets that need repair and/or resurfacing in the proper order of priority regardless of the district where they are located. This practice may placate Council members, but is not in the best interests of the taxpayers because it is not the most-cost effective approach. San Diego City Council should emulate Chula Vista which has a city-wide pavement management system. This might help San Diego get more years of life from its roads through preventative maintenance, such as sealing road rather than taking the “fix the worst first approach.” This could provide a fair basis for choosing which road to fix first rather than trying to appease City officials.**

Disagree. The goal of the street repair program is to maximize the impact of the annual funding, and to ensure that there is equity in the condition of streets (i.e., Overall Condition Index) throughout all parts of the City. The City’s Streets Division utilizes a city-wide pavement management system which addresses the most critical street deficiencies based on several factors: Overall Condition Index, Average Daily Traffic, surface oxidation, location, type of street, rate of deterioration, types and size of cracks, number of potholes, previous maintenance, drainage characterizations, quality of ride,

utility conflict checks, constituent input, and lifecycle efficiencies (i.e., arrest deterioration prior to costly sub base failure). The City does not apply the “fix the worst first approach.” There are often situations where it is more economical to proactively repair a road prior to further deterioration than to spend limited funds on roads that have already failed. City Council interests will always be considered as Councilmembers are the elected representatives of the constituency who work in concert with the Mayor’s staff to provide fiscal accountability.

The City’s pavement management system has been in use for the past 10 years. The system software, *Pavement View*, is one of the industry standards for pavement management systems. In the City of San Diego, pavement has been managed on a city-wide basis for at least the last 10 years.

Finding 3: The City should be upheld to the policy that seems to be implied in the Mayor’s “Fact Sheet” in which he proposed scheduling repairs based on “need criteria”. The Grand Jury hopes the criteria statement, “Location to ensure equity across city,” is not a euphemism for distribution of funds by Council District rather than by repair need.

Agree. City staff identify pavement repair and resurfacing locations to ensure equity of the overall condition of the streets across the City based on objective criteria, staff’s professional understanding of pavement management, and input from citizens.

Recommendation 07-56: Follow through with the proposed actions defined in the City response letters dated June 20, 2006 and January 22, 2007 to the 2005-2006 Grand Jury recommendations in the report titled *San Diego City Street Conditions*.

Response: This recommendation has been implemented. The following specific actions have been taken:

1. Training - The formal trench cut repair training on construction methods, materials and standards has been implemented with City forces. The first training session was completed on November 29, 2006, with 44 attendees receiving completion certificates. Additional training sessions were offered on March 1, 2007; May 3, 2007; and May 17, 2007. To date, a total of 184 personnel from different city departments have completed the training and received completion certificates.
2. Franchise Utility Work – The four franchise utility companies (AT&T, Cox, San Diego Gas & Electric, and Time Warner) are now required to obtain right-of-way permits through Development Services Department prior to performing excavation work in the City’s right-of-way. This process has been implemented during the time period since the City’s January 22, 2007 response letter.
3. Trench Cut Ordinance and Tracking System - A reporting and tracking database has been created within an existing City GIS-based system

called *City Works*. All work performed in the City right-of-way as part of Capital Improvement Projects (CIP), private work in public right of way (permits), or work done by City forces, is tracked by an automated tracking system. Information such as location; description; responsible department, agency or company; and contact information is captured in the database for the projects.

Eleven months after completion of a project, a warranty inspection is initiated by the City's Engineering & Capital Projects Department's (E&CP) Field Division and conducted by the appropriate operations division or inspection team. If any deficiencies are identified during the warranty inspection, a request to perform the corrective work is sent to the appropriate parties. They are required to perform the corrective work within 30 days of the request. The corrective work is inspected to ensure compliance with City standards.

Metropolitan Wastewater Department and Water Department have been working with Streets Division to have final repairs of trenches performed by City forces. Temporary repairs are completed by the utility departments, and then Streets Division performs the final repairs. Presently, Streets Division is able to address only the ongoing trench repair requirements, not the backlog of final trench repairs that exists in the City. The utility departments have recently awarded a second construction contract for reduction of the backlog of final trench repair work. The first construction contract was completed during FY2007. The second contract will address approximately 650 trench repairs (400 for the Water Department and 250 for Metropolitan Wastewater Department). Water Department currently has a backlog of 4,024 trench repairs, while Metropolitan Wastewater Department's backlog is 848 trench repairs.

It is likely the Metropolitan Wastewater Department's backlog will be eliminated over the next 4-5 years through the use of City forces and construction contractors. Water Department's backlog, however, will require a longer time period and higher levels of funding in the future.

4. Inspection, Testing and New Permit Requirements - E&CP now provides oversight for work performed by City departments and franchise utilities. The SLA trench crew ensures compaction requirements are met in accordance with City standards. E&CP's Senior Materials Engineer, Earl Lokers, performs random inspections of trench repairs to ensure that the repairs meet City standards. We anticipate that full inspections will be performed on at least two trenches per quarter. Additional inspections will be completed should significant problems with trench repairs be discovered.
5. Analysis Of Warranty Period – As mentioned in our January 22, 2007 letter, an analysis of the current one-year warranty period for CIP contracts revealed that less than one percent of trenches from contracted work show signs of distress or failure. Therefore, we

believe that the added expense to CIP contracts of implementing an extended warranty would provide a small return. Instead, a three year follow-up inspection has been implemented to detect any additional failures occurring beyond the one year warranty inspection as a result of patent defects. Failures detected during this three year follow-up inspection that are determined to be the result of patent defects will initially be forwarded to the responsible contractor for repairs. If the contractor refuses to perform the necessary repairs or takes longer than the 30 days allowed, the work is assigned to City forces. The cost of the repairs performed by City forces is forwarded to the City Attorney's Office. The designated representative from the City Attorney's Office reviews each individual case to determine if the City will pursue cost recovery from the responsible contractor.

6. Centralized Trench Repair by City Forces – The City centralized trench repair work with a dedicated trench repair crew in Street Division. The crew consists of 40 personnel. The crew makes all final repairs to trenches for the City departments (Metropolitan Wastewater, Water) that make cuts in the City's streets.

Recommendation 07-57: Pursue funding, through bonds and appropriations from the Federal and State Governments, to provide the needed \$400 million to upgrade all of the city streets to an acceptable condition.

Response: This recommendation will be implemented on an ongoing basis. The City has and will continue to pursue all funding sources for the street system. In the past, the City has been successful in obtaining Federal and State funding of the overall transportation system. With new opportunities presented by the State's recently passed bond propositions, the City will continue to aggressively compete for the available funds.

Rather than attempting to upgrade all of the City streets to "Acceptable" condition, the goal will be to bring the streets system up to industry standards, which are a uniform Overall Condition Index of 60. with 75% of the system in "Acceptable" condition, 20% in "Fair" condition, and 5% in "Poor" condition. By way of comparison, freeway systems with higher volumes and speeds of traffic are not funded to a level that would allow all freeway sections to be upgraded to "Acceptable" condition. As the City competes with other agencies for limited funds, it is not practical to pursue the goal of all City streets being in "Acceptable" condition.

Recommendation 07-58: Budget a minimum of \$35 million per year at the conclusion of the aforementioned upgrade to maintain the streets in that condition.

Response: This recommendation has been implemented for the FY2008 Budget (see Table 1). As mentioned in the response to Recommendation 07-57, the goal is to reach and then maintain the streets at industry standards

(uniform Overall Condition Index of 60, with 75% of the system in “Acceptable” condition, 20 % in “Fair” condition, and 5 % in “Poor” condition). Although an annual budget of \$35 million for streets maintenance and repair may be a reasonable estimate of today’s costs, cost variations and escalation will cause this funding level to become obsolete over time. However, the key point is that the streets repair and resurfacing program should be funded at a level to allow the streets system to remain at industry standards for overall condition.

Recommendation 07-59: Direct the Street Department to implement a comprehensive cost-effective repair and maintenance plan independent of council district location based on budget and the latest street assessment.

Response: This recommendation has been implemented. Streets Division utilizes a city-wide pavement management system which addresses the most critical street deficiencies based on several factors: Overall Condition Index, Average Daily Traffic, surface oxidation, location, type of street, rate of deterioration, types and size of cracks, number of potholes, previous maintenance, drainage characterizations, quality of ride, utility conflict checks, constituent input, and lifecycle efficiencies (i.e., arrest deterioration prior to costly sub base failure). The plan relies most heavily on the latest street assessment, based on available budget and targeted goals to reach industry standards.